

NOTICES OF PROPOSED RULEMAKING

Unless exempted by A.R.S. § 41-1005, each agency shall begin the rulemaking process by first submitting to the Secretary of State's Office a Notice of Rulemaking Docket Opening followed by a Notice of Proposed Rulemaking that contains the preamble and the full text of the rules. The Secretary of State's Office publishes each Notice in the next available issue of the *Register* according to the schedule of deadlines for *Register* publication.

Under the Administrative Procedure Act (A.R.S. § 41-1001 et seq.), an agency must allow at least 30 days to elapse after the publication of the Notice of Proposed Rulemaking in the Register before beginning any proceedings for adoption, amendment, or repeal of any rule. A.R.S. §§ 41-1013 and 41-1022.

NOTICE OF PROPOSED RULEMAKING

TITLE 4. PROFESSIONS AND OCCUPATIONS

CHAPTER 1. BOARD OF ACCOUNTANCY

PREAMBLE

1. **Sections Affected**

	Rulemaking Action
R4-1-341	Amend
R4-1-341.01	Amend
R4-1-342	Amend
2. **The statutory authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**

Authorizing statutes: A.R.S. §§ 32-703 and 41-1072 et seq.

Implementing statutes: A.R.S. §§ 32-721, 32-723, 32-727, 32-729
3. **The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name:	Ruth R. Lee, Executive Director
Address:	Board of Accountancy 3877 North 7th Street, Suite 106 Phoenix, 85014
Telephone:	(602) 255-3648, ext. 18
Fax:	(602) 255-1283
4. **An explanation of the rule, including the agency's reasons for initiating the rule:**

These rules clarify what is required for certification by examination, reciprocity, or a non-Arizona examinee. The amended rules will incorporate time frames as mandated by A.R.S. § 41-1072 et seq.
5. **A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable.
6. **The preliminary summary of the economic, small business, and consumer impact:**

The information required from the applicants will be incorporated to expedite the processing of applications for certification in order to comply with the time frames as mandated by A.R.S. § 41-1072 et seq. The application fee will be \$100 for certification by examination, will remain at \$100 for the non-Arizona examinee, and will increase from \$50 to \$100 by reciprocity.
7. **The name and address of agency personnel with whom persons may communicate regarding the accuracy of the economic, small business, and consumer impact statement:**

Name:	Ruth R. Lee, Executive Director
Address:	State Board of Accountancy 3877 North 7th Street, Suite 106 Phoenix, Arizona 85014
Telephone:	(602) 255-3648, ext. 18
Fax:	(602) 255-1283

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8. The time, place, and nature of the proceedings for the adoption, amendment, or repeal of the rule:

Date: March 10, 1997
Time: 3 p.m.
Location: State Board of Accountancy
3877 North 7th Street, Suite 106
Phoenix, Arizona 85014
Nature: Oral proceeding

9. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:
Not applicable.

10. Incorporation by reference and their location in the rules:
As stipulated in the following text.

11. The full text of the rules follows:

TITLE 4. PROFESSIONS AND OCCUPATIONS

CHAPTER 1. BOARD OF ACCOUNTANCY

**ARTICLE 3. CERTIFICATION AND REGISTRATION
PROVISIONS**

Section

R4-1-341. CPA Certificates; By Examination
R4-1-341.01 CPA Certificates; by Non-Arizona Examinee
R4-1-342. CPA Certificates; by Reciprocity

**ARTICLE 3. CERTIFICATION AND REGISTRATION
PROVISIONS**

R4-1-341. CPA Certificates; By Examination

- A. Application: Upon passing all parts of the examination prescribed by A.R.S. § 32-723(C) at 1 sitting or within the 3-year period prescribed by R4-1-229, a candidate believing himself or herself to be otherwise qualified under A.R.S. § 32-721, may apply for a certificate of certified public accountant. ~~The application form is incorporated herein by reference and is on file with the Secretary of State and may be obtained from the office of the Board. The candidate shall complete an application packet as prescribed by the Board which shall include the following information: applicant's background, personal data, and photograph; examination scores; education and work history; university or college transcripts to confirm that the bachelor's degree requirements have been completed; employer(s) name, address, and telephone number; authorization for investigation; and affirmation of truthfulness.~~
- B. Application fee: ~~No fee is required with applications filed under this Section. The application fee for a certificate by examination is \$100.~~
- C. Examination. Each applicant for a certificate of certified public accountant shall be required to pass an examination in Professional Ethics as prescribed by the Board.
- D. ~~An applicant for certification shall submit the following to the Board Office:~~
1. ~~A completed application form signed by the applicant and notarized, and~~
 2. ~~Other documents required by the Board as set forth in the application packet necessary to determine the applicant's eligibility.~~
- E. ~~The Board shall finish an administrative completeness review within 150 days from the date of receipt of an application packet.~~

1. The Board shall issue a written notice of administrative completeness to an applicant if no deficiencies are found in the application packet.
 2. If deficiencies are found in the application packet, the Board shall provide a written comprehensive list of the deficiencies to the applicant. The 150-day time frame for the Board to finish the administrative completeness review shall be suspended from the date the deficiency notice is served until the applicant provides the Board with all the information listed by the Board. Service of any written notice shall be completed in accordance with R4-1-117(F)(1), (2), and (3).
- E. From the date on which the administrative completeness review of an application is finished, the Board shall complete a substantive review of the applicant's qualifications within 150 days.
1. If an applicant is found to be eligible, the Board shall issue a certificate to the applicant.
 2. If an applicant is found to be ineligible, the Board shall issue a written notice of denial of certification to the applicant.
 3. If the Board finds deficiencies during the substantive review of the application, the Board shall issue a written request to the applicant for additional documentation. If the Board determines that the applicant has not met the requirements of A.R.S. §§ 32-721, 32-723, and/or 32-727 the Board shall require that the applicant take and pass the certification examination.
 4. The 150-day time frame for a substantive review for the issuance of a certificate shall be suspended from the date of the written request for additional documentation pursuant to subsection (F)(3) until the date that all documentation is received. Service of any written notice shall be completed in accordance with R4-1-117(1), (2), and (3).
 5. When the applicant and the Board mutually agree in writing, the substantive review time frame may be extended in accordance with A.R.S. § 41-1075.

R4-1-341.01. CPA Certificates; by Non-Arizona Examinee

- A. Application: An applicant for certification who sat for the CPA examination, as prescribed by A.R.S. § 32-723(C), outside of Arizona, passed all parts of the CPA examination at 1 sitting or within the 3-year period prescribed by R4-1-229, and who believes himself or herself to be otherwise qualified under A.R.S. § 32-721 shall apply for a certificate of certified public

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~~accountant on a form prescribed by the Board which shall include the following information: applicant's background information, personal data, and photograph; examination scores; education and work history; employer's name, address, and telephone; authorization for investigation; and affirmation of truthfulness. The applicant shall cause to be forwarded to the Board office Registrar certified or the equivalent university or college transcripts to confirm that the Bachelor's degree requirements have been completed. complete an application packet as set forth in R4-1-341(A).~~

- B. Application fee: The application fee for a certificate by a non-Arizona examinee is \$100.
- C. Examination: Each applicant for a certified public accountant shall be required to pass an examination in Professional Ethics as prescribed by the Board.

- D. The provisions set forth in R4-1-341(D), (E), and (F) are incorporated by reference.

R4-1-342. CPA Certificates; by Reciprocity

- A. Application: A person desiring a certificate as a certified public accountant in this state Arizona on the basis of a certificate in another state, under A.R.S. § 32-727, ~~must send a completed form 5 to the Board, which is incorporated by reference and on file with the Office of Secretary of State shall complete an application packet as set forth in R4-1-341(A).~~
- B. Application fee: The application fee for a certificate by reciprocity is \$50 100.
- C. The provisions set forth in R4-1-341(D), (E), and (F) are incorporated by reference.